

STATE OF NORTH DAKOTA
BEFORE THE COMMISSIONER OF INSURANCE

In the Matter of)	
)	
Nodak Mutual Insurance Company,)	CONSENT ORDER
FEIN 45-0216631,)	
)	
Respondent.)	

Commissioner of Insurance Jim Poolman (hereinafter "Commissioner") has determined as follows:

1. The Commissioner has authority in this matter pursuant to N.D. Cent. Code Title 26.1 and N.D. Cent. Code § 28-32-05.1.
2. Nodak Mutual Insurance Company, FEIN 45-0216631 (hereinafter "Respondent"), is a domestic mutual insurance company incorporated under N.D. Cent. Code Chapter 26.1-12 and at all times material hereto has held a valid Certificate of Authority to transact insurance business within this state.
3. The Commissioner has jurisdiction over Respondent and the subject matter of this Consent Order and this Consent Order is made in the public interest.
4. N.D. Cent. Code § 26.1-04-03 states, in part:

The following are unfair methods of competition and unfair and deceptive acts or practices in the business of insurance:

....

2. False information and advertising generally. Making, publishing, disseminating, circulating, or placing before the public, or causing, directly or indirectly, to be made, published, disseminated, circulated, or placed before the public, in a newspaper, magazine,

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or other publication, or in the form of a notice, circular, pamphlet, letter, or poster, or over any radio station, or in any other way, an advertisement, announcement, or statement containing any assertion, representation, or statement with respect to the business of insurance or with respect to any person in the conduct of that person's insurance business, which is untrue, deceptive, or misleading.

5. During March 2001, Respondent aired a 30-second television advertisement titled "Flood" on various local North Dakota stations.

6. Commissioner Poolman objected to the content of the advertisement as being misleading and as a result of Commissioner Poolman's objection, Respondent agreed to discontinue the advertisements and represented to Commissioner Poolman during a meeting on or about March 22, 2001, that the advertisements would be revised to eliminate his concerns.

7. Notwithstanding Respondent's representations, a similar advertisement appeared in the Bismarck Tribune and the Fargo Forum on or about April 8, 2001.

8. Respondent asserts that all objectionable advertisements have been changed to include a disclaimer and that the advertisement published in North Dakota newspapers was done in error.

9. Commissioner Poolman alleges that the advertisement is misleading in violation of N.D. Cent. Code § 26.1-04-03(2).

10. As a result of alleged conduct of Respondent, the Commissioner has considered a formal hearing to determine whether Respondent's conduct as alleged constitutes a basis for imposition of a civil penalty or other action by the Commissioner.

11. Respondent, without admitting that the advertisement is misleading, agrees to the entry of this Consent Order and the terms and conditions as set forth herein.

12. Respondent agrees to an informal disposition of this matter, without hearing, as

provided under N.D. Cent. Code 28-32-05.1.

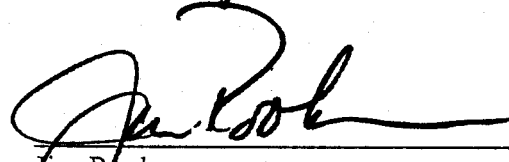
13. For purposes of resolving this matter without further administrative proceedings, and giving consideration to Respondent's attempts to made changes to the objectionable advertisements, Respondent and the Commissioner have agreed to the entry of the following Order:

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

1. For allegedly publishing a misleading advertisement, Respondent shall pay a civil penalty in the amount of \$500. This penalty will be due within 15 days of the execution of this Consent Order.

2. The use of this Consent Order for competitive purposes by an insurance agent or agency holding a license in the State of North Dakota, or by any company holding a Certificate of Authority, or by anyone on their behalf, may be deemed unfair competition and be grounds for suspension or revocation of said license or authority.

DATED at Bismarck, North Dakota, this 17th day of April, 2001.


Jim Poolman
Commissioner of Insurance
State of North Dakota

CONSENT TO ENTRY OF ORDER

The undersigned, Jon M. Wivers, on behalf of Nodak Mutual Insurance Company, states that he/she has read the foregoing Consent Order, that he/she knows and fully understands its contents and effect; that he/she has been advised of his/her right to be represented by legal counsel, his/her right to a hearing in this matter, his/her right to present

evidence and arguments to the Commissioner, and his/her right to appeal from an adverse determination after hearing; and that by the signing of this Consent to Entry of Order he/she waives those rights in their entirety, and consents to entry of this Order by the Commissioner of Insurance. It is further expressly understood that this Order constitutes the entire settlement agreement between the parties hereto, there being no other promises or agreements, either expressed or implied.

DATED this 12th day of April, 2001.

Nodak Mutual Insurance Company

By:

Name

Title

EUR. C.E.O.

Subscribed and sworn to before me

this 12 day of April,

2001.

Notary Public

My commission expires:

PAUL E. TRAYNOR
Notary Public, STATE OF NORTH DAKOTA
My Commission Expires MAY 17, 2001